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SPECIAL REPORT

SAIONJI-HARADA MEMOIRS

PART XI

"SHADOWS OF COMING EVENTS"

(30 Jul - 14 Oct 1936)
Vol I

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Major, Field Artillery
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THE SAIONJI -- HARADA MEMOIRS
PART ELEVEN: SHADOWS OF COMING EVENTS

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Saionji - Harada Memoirs

Chapter 211
(30 July 1936)

Oshima and Berlin

Translated by Lieut. Morio Morihara

I spent the period from the 19th to the 24th in Osaka and Kyoto and was not in Tokyo, but I often called the Foreign Minister by phone and inquired of the situation in Tokyo. However, there was nothing that had happened since I left. On the 24th I returned to Tokyo and met with the Foreign Minister. He said: "Progress is being made concerning the secret treaty with Germany; in relations with Britain, Ambassador YOSHIDA is endeavoring seriously to take the proper steps to promote Anglo-Japanese friendship."

Recently, FUTARA came to my place and said: "I met Prince HIGASHI-KUNI, and he was saying some rash things. Especially concerning Russia, he has been influenced by her system of controlled economy. The present Army has a strong tendency to act selfishly or to imitate the ways of Russia. He seemed to be in favor of it also and whatever the case, it is dangerous to think that these one-sided arguments are right. The two princes, Prince ASAKA and HIGASHI-KUNI are both Army War Councillors, and since they alone are concerned, they must not make any mistakes. How about requesting YUKI, Toyotaro to speak on the general situation from a financial and monetary standpoint, discussing such things as the general financial and monetary system of Japan, the actual state of society, and the political situation? Also to make comparisons with Russia concerning the over-all political trend, the actual condition of finance and the

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economic system, etc?"

I was in total agreement with FUTARA's opinion but I thought that there was need for caution. I also talked to KIDO, and he said: "That's all right, isn't it?"

FUTARA insisted that I: "sponsor the meeting and invite the two Princes and have them listen to YUKI's story" but if I should be too meddlesome the matter would be misunderstood and it would be bad if it should be used for propaganda purposes. Thinking this I talked to HOSOKAWA and went to Prince TAKAMATSU's place. I decided to mention various details confidentially and to ask Prince TAKAMATSU to sponsor the meeting; when I mentioned it to the Prince a few days ago, the Prince agreed. Prince TAKAMATSU invited YUKI to his palace; Princes ASAKA and HIGASHI-KUNI both appeared; they were able to talk very simply and freely until about 6:00 o' clock. They partook of supper afterward and they all returned after 9:00 o'clock. I hear that Prince ASAKA went home without having supper but later heard that the gathering was a "great success".

On the 27th I met the Director of the Police Bureau, and he said: "Things in general look all right. Even concerning the actions of the Army, I hear that there have been no great changes." I said to the Director of the Police Bureau: "I hear that you made some pessimistic statements at the meeting of the Investigation Committee." He replied: "I didn't make any pessimistic statements. I only described the actual situation, and said that if the rightists united and proceeded legitimately they would probably create a sort of rightists political party, and if they didn't execute things legitimately they would

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probably create a sort of rightists political party, and if they didn't execute things logitimately they would place the responsibility for each assassination upon individuals. I then spoke on the United Front and described the strong determination of the Home Ministry. That isn't a pessimistic statement at all."

He continued and said: "There are four officers from Saga among those that were punished for the February 26 Incident. People in Saga strongly hinted the desire to have these four men enshrined in Saga and to build a Chokai Sha (Super Spirit Shrine). This movement finally ended in failure but there are various movements, since NABESHIMA is the Parliamentary Vice-Minister."

I then met the Foreign Minister and he said: "I am going to depart as I have an audience with the Emperor at Hayama." He requested that I: "inquire into various details from Bureau Chief TOGO," so I promised to meet him and we parted.

I met the Premier about 2:00 P.M. He emphatically said: "It seems that the change in the Korean Governor-Generalship will be made about the 20th. The War Minister seems to be recommending General MINAMI as the successor. The appointment of the Formosan Governor-General will come a little later. The Navy Minister was saying: 'Although there are a few objections, I will recommend Admiral KOBAYASHI.' Concerning national policy, it is the Government's intention to continue with government operation of electrical power."

About 4:00 P.M. I met Bureau Chief TOGO at the Foreign Ministry. TOGO said: "The Army is saying: 'check Russia by revealing to her that Japan has a secret pact

with a certain country." This is because of the increased threat of Russian military preparations; actually, OSHIMA, military attache to the Embassy, has been carrying on unofficial negotiations for an entente at Berlin. This was gradually revealed from Germany, and when MUSHAKOJI returned to his post after a leave of absence, this story gradually took concrete form. From the present standpoint, it is necessary to do something from our side. As for Japan, she must not do anything to make Britain feel uneasy. When we approached the Army and said: 'Let us adjust Anglo-Japanese relations at the same time,' it agreed. Since relations with Britain would become more harmonious, the Army felt obliged to agree, but even so it would be very disadvantageous to Japan to irritate the Soviets further, so we must have the Army understand this point too. Therefore if the proposal of the other party is not presented with minor alterations, it will surely leak out if presented to the Privy Council. This part is most dangerous so I believe that it must be handled very skillfully. Germany seems to want to publish this treaty, but I plan to issue a joint statement to camouflage this so that it will be all right when something leaks out. In the telegraph message from Ambassador to Britain YOSHIDA, he stated that: 'there are contentions to conclude a treaty with Britain, but actually the Government is in a difficult position. The Conservative party is stressing Anglo-Japanese friendship, so this may succeed.' Again, if the Army should induce a Russo-Japanese war by German-Japanese intimacy, we will be in serious straits, so the Foreign Ministry is

paying great heed to this matter."

Because the Lord Keeper of the Privy Seal, MATSUDAIRA had long resided in Germany, I talked with him individually. The Lord Keeper was also in general agreement. On the 26th I met Minister of Agriculture and Forestry SHIMADA. He opposes the Minister of Finance's contention for a financial reform, and argued: "It is better to stress government securities and to touch the financial system only to the extent of adjusting revenues and expenditures."

What the War Minister had told the newspaper reporters on the train on his way to Ise was similar to Minister SHIMADA's story. Men of the financial world mostly felt that they would: "mainly want it to be government securities although there was a limit to this" and the War Minister's story seemed to be quite welcomed by them.

On the 28th I went to Gotemba and reported on the general situation to the Prince. The Prince asked: "What about the matter of the Grand Cordon of the Pawlownia for Baron YAMAMOTO, Tatsuo at the time of the resignation of the Korean Governor-General?" He also said: "If the Grand Chamberlain is to be replaced, I wonder if KIDO wouldn't be a good man for his position?"

Recently, when I went to Prince TAKAMATSU's place, he asked: "Is the Grand Chamberlain going to be replaced?" I replied: "Prince SAIONJI said: 'If the aides should be appeared by such incidents; if the aides are going to be replaced immediately when there is any shooting, it will not be good. It is all right if the way is opened for a successor through lapse of time, or if the Grand

Chamberlain is not equal to the task because of ill-ness.' Again, it cannot be helped if every one should say that he ought to resign, but it is the Prince's general opinion that it is better not to resign."

When I said this the Prince (TAKAMATSU) replied: "I will meet the Lord Keeper of the Privy Seal tomorrow so I shall speak to him." After that I met the Prince (TAKAMATSU) and he said: "I met the Lord Keeper and heard that the Grand Chamberlain plans to resign personally when he reaches 70. The Grand Chamberlain said: 'Since the Lord Keeper of the Privy Seal and the Minister of the Imperial Household are both new, they must be very unfamiliar about accompanying the Emperor at the Grand Maneuvers. I will accompany him of course.' When I inquired: 'who is going to replace the Grand Chamberlain when he resigns?' the Lord Keeper of the Privy Seal said: 'I believe that either Admiral NOMURA or former Vice-Minister of Agriculture and Forestry ISHIGURO would be good.' If they're going to select men like ISHIGURO, there should be many others."

I thought that Prince TAKAMATSU was an understanding person and related that tale to Prince SAIONJI.

Prince SAIONJI said: "The Emperor's brothers are fine characters, and this is very fortunate."

I returned to Oiso in the afternoon.

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Saionji - Harada Memoirs

Chapter 212
(13 August 1936)

Terauchi, Koiso and Co

Translated by Lieut. Morio Morihara

On the 31st, I visited the Foreign Minister. He said: "I issued instructions to the Ambassadors stationed in Britain and Germany. I visited the Emperor at Hayama yesterday and reported to him about the matter of a German Treaty, related that we have reached a stage where we hope to arrange for collaboration with Britain and stated that Ambassador YOSHIDA was getting closer to Britain. The Emperor said: 'It will be very fine if this can be done with Britain.'"

I also visited the Prime Minister. Concerning the presentation of the Grand Cordon of the Pawlownia to Baron YAMAMOTO he said: "I plan to take the proper steps after investigating. Today, because of the southward advancement policy being very popular, there is a great influence upon Japanese trade. In order to remove these obstacles to Japan's trade, I would like to have General HAYASHI conclude a non-aggression pact with Holland when he goes as the Governor-General."
I entrusted the matter of presenting the Grand Cordon of the Pawlownia to Baron YAMAMOTO to his hands for a second time and we parted.

On the morning of that day, Councillor SAKAMOTO of the Manchurian Railways, who was stationed in Paris, visited me and talked of the Third Internationale's activities in Spain and France and reiterated that: "Caution is still necessary concerning Russo-Japanese relations."

Since Colonel SUZUKI was to be transferred to

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Manchukuo, I visited him that day and told him to be discreet. In the afternoon I visited the President of the Bank of Japan and talked with him on various subjects. He said: "A reformation of the tax system would be excellent. I think that it is wholly permissible to increase taxes where there is room for it, but we must pay careful attention to the unliquid character of increased bond issues or it will precipitate rising costs. I am greatly worried lest it raise serious social problems." He further went on to state: "It is my belief that in international relations, German-Japanese friendship is not necessarily a good thing. Formerly, when I went to London, Germany's Minister of Finance, SCHACHT, was present and repeatedly attempted to approach me but I tried to avoid him."

On my return, I stopped by at the Premier's official residence. He said: "Chief of the Social Welfare Bureau YOSHIDA said: 'It is necessary to carry out increased taxation, reformation of the tax system, government control of electric power and government control of fuel.'" He added: "The reformation of the House of Peers is a minor problem but it is necessary."

In the evening of that day, the Chief of the Military Police visited my residence. He said: "We plan to imprison UZAWA, Somei in the near future. Also, it seems as if KOBAYASHI, Shosaburo, who became a naval reservist, has built an office in the vicinity of Tamura-cho in Shiba and is doing various things in conjunction with the rightist organizations." He went on: "At this time, the Zaibatsu will have to show a sacrificial spirit to the public. The younger members of the Navy are still

insisting on a renovation of national affairs. Colonel HASHIMOTO, Kingoro is constantly saying: 'Why didn't the War Minister request the Emperor for mitigation before the heads of the rebel group were subjected to the severest punishment? In the final analysis, the Genro and the senior statesmen must have interfered.' He was very angry and they say that he maintained that: 'the rightists would wait for August 15 or 16, when they would arise and assassinate the Genro and senior statesmen.' However, I believe that these are all rumors. I don't think there is any cause for worry, but ----."

The Chief of the Military Police went on: "This is an absolute secret; General ARAKI came to my place and said: 'I would like to have MAZAKI released. If that is done, MAZAKI and I will tour the whole country as priests. I cannot bear to live in such a desagreeable society.' So I said: 'What do you mean by a disagreeable society?' That was how things were. ISHIHARA, Koichiro was of course one of the members to be indicted, and I would like as strong a man as possible for aide-de-camp to the Prince. You are on intimate terms with War Minister TERAUCHI so I would like you to talk with him well and caution him."

Speaking about Prince HIGASHI-KUNI's superstition, he said: "A priest in the Iribune boarding-house is saying that: 'The present Emperor will not live longer than thirty years. We are praying for a longer life.' I don't know whether this is true or not, but I hear that Prince KAN-IN, HIGASHI-KUNI and the court ladies of the Imperial Household Ministry visit the place."

On the 2nd, the War Minister just happened to visit

the villa in Oiso and he said to me: "We must have HIROTA do something. I do not know how the Prince feels, but I would like to carry out a reorganization of the cabinet system and completely separate the administrative heads and the ministers of state. Leave the war ministry and the finance ministry as they are and have the remaining five or six ministers be ministers without portfolio, thus prohibiting Diet members from becoming administrative officials. If they are going to be administrative officials, I would like to have them resign their seats in the Diet. I hope that this would not be a violation of the Constitution. Whatever the case may be, if HIROTA does not agree to this, there will be a clash within the Cabinet and the Cabinet will be forced to resign. If there is no succeeding cabinet the country will be inconvenienced. How about a succeeding cabinet?"

I replied: "Your idea seems all right if it isn't a violation of the Constitution, but we must pay careful attention to that point. It is very hazardous unless you confer fully with first rate specialists on the subject before pushing it. So it might be well to confer with men such as Professor KIYOMIZU. This problem is not such an urgent one and it might be better to talk to Professor KIYOMIZU who is a specialist, instead of with KONOYE."

Minister TERAUCHI said to me: "At this time, TATEKAWA, YANAGAWA and OBATAKE resigned. TATEKAWA resigned very pleasantly and when the Personnel Bureau Chief was sent, he had already written his resignation and was holding it. He said: 'If things will be settled by my resignation, I will gladly offer it.' If KOISO were to

re ign with me, I would have something to say....' It might be well to make TATEKAWA a member of the House of Peers by Imperial nomination, and also to use OBATAKE in Manchukuo." He went on to state: "The Foreign Ministry seems to be only worrying about Britain and America but it should be permissible to have Japan proceed on her own."

I told TERAUCHI of the story of Prince HIGASHI-KUNI's superstition and what the Chief of Military Police had said. He replied: "I will have the Military Police investig te this. I believe that we can gain a great sum of money if the Zaibatsu will donate their pocket money, discontinue the building of country residences and the collecting of concubines, and make public donations." I r plied: "I don't think that it will reach a considerable sum." We talked for about two hours, after which he left.

On the 3rd I went to Gotemba and reported the general situation to the Prince. The Prince said anxiously: "TERAUCHI has carried out the reorganization of the Army very well, but we need some able advisers concerning foreign relations, money, and finance. Do you have any good friends?" I replied: "I will try to find someone."

On the night of the 3rd I returned to Tokyo and had supper with MIZUNOGUCHI. We conversed on various subjects, and he had the same anxiety, saying: "I will also consider the matter." On the morning of the 4th I met KIDO and he said: "KODAMA also seemed to be worried about it, so how about enlisting his aid by talking to him?"

Therefore I went to KODAMA's residence and conferred with him. Count KODAMA also replied: "To tell you the

truth, I was also worried about it. I will send some one. How about meeting men like the President of the Bank of Japan and inquiring about money and finance?" He added: "It is futile for the HIROTA Cabinet to overstress the renovation of the government and have the newspapers publish various things without any object. Therefore how about stressing the fulfilment of national defense first and then including the rest of the issues in one large article on such a topic as the stabilization of national living conditions?"

In the afternoon I met the Premier and he said: "I decided on General MINAMI as the successor to Governor General UGAKI for the Governor General's post in Korea, and on ONO, Rokuichiro as Chief Civil Administrator of Korea. The Grand Cordon of the Pawlownia and the privileges of his former post was presented to General UGAKI, and at this same time Baron YAMAMOTO is to be presented with the Grand Cordon of the Pawlownia. We plan the Imperial nomination of Chief Administrator IMAIDA. We will do something by the end of this month concerning Formosa. We will appoint Admiral KOBAYASHI as Governor General NAKAGAWA's successor, and if Governor General NAKAGAWA resigns we will make him a Diet member by Imperial nomination. At the time of Admiral KOBAYASHI's appointment, we will conclude a non-aggression pact with Holland."

On the morning of the 5th Admiral KOBAYASHI came to my residence and said: "The other day OTANI, Kozui asked through Admiral NOMURA that: 'If I should become the Governor General of Formosa, please make SAGAMI the secretary General.' When I inquired about SAGAMI's attitude

I found that he would willingly accept."

I said: "Men like OTANI, Kozui may be of fine character, but he has no head for finance or economics. Formerly OTANI bought a mountain in the Dutch possessions, built a very large home, and started operations. He borrowed a large sum of money from the Dutch Central Bank but he failed to repay it and finally was chased out of the country. KIMURA, Eichi had to go afterward and settle the problem. He has inconvenienced many people in those parts. If you should become the Governor General of Formosa and should place his choice in the post of Secretary General, there will be trouble, so I believe that a person who wasn't connected with OTANI would be best."

At any rate Admiral KOBAYASHI said: "I have not received any written order and will not be able to do as I please, but will you talk to the Minister of Home Affairs concerning suitable persons so that we won't be troubled in case of a sudden change in the situation?"

In the afternoon I met Minister of Home Affairs USHIO. I parted with him after agreeing to get a reply after he had conferred with the Home Affairs Vice-Minister. We decided to talk to Admiral KOBAYASHI later in regard to the Secretary General.

A couple of days ago, YANAGIDA, who is going to London as the Supervisor of the Bank of Japan, came to my place to say goodbye. In the course of the conversation, he said: "The other day, after the February 26th Incident, a member of the Kobe Rotary Club and the Osaka Asahi Economics Section Chief IIJIMA said: 'This is top secret; last spring when we met secretly with Prince KONOYE at Kyoto, he confided to us that although he did

not agree to the expulsion of the Genro-senior statesmen bloc commanded by KUHARA, he thought that actually Prince SAIONJI had grown old, that he tired easily when meeting people, and that his ideas concerning the world were considerably out of date. It was the same with the senior statesmen. From the standpoint of the progress of the country, KONOYE thought that they were an obstacle. Those listening felt oddly at KONOYE instead. I wonder why he said such a thing? I heard it and thought that it was very bad but it was my opinion that because he met men with extremist opinions he was liable to have such feelings."

The other day, on the 3rd, I talked of TERAUCHI to the Prince and told him of the proposed reorganization of the Cabinet system. The Prince replied: "KONOYE visited me the other day and talked for a couple of hours. KONOYE said the same thing as TERAUCHI. I wonder if the young militarists have not requested the same thing of TERAUCHI as of KONOYE? Somehow KONOYE seems to defend MAZAKI and ARAKI. Upon hearing his opinions, I cannot tell whether they are his own, or whether he is being forced to say such things. I don't know whether he is saying such things out of fear, or whether he thinks that he will be in a better position if he says such things in view of the present situation. It is indeed regrettable for a man of such noble birth and character. I wonder if there is no way of leading him along a proper path."

I said: "If he is cautioned, of course he will listen. He seems to be a little afraid and at the same time he does not want to lose any popularity. It is

quite difficult for you to mention this matter and he also may not listen. If the Emperor should simply say: 'Be a little more cautious,' I wonder if it would not be for his and also the country's good?"

The Prince said: "That's all right. KONOYE is of the nobility himself, so the Emperor might say: 'Since you have been born in a family that is closely connected with the Imperial Household, you must, in your capacity as Chairman of the House of Peers, have the people elect upstanding and dependable Diet members and must strive to improve the Diet. In other words I desire you to create an atmosphere suited to the Constitution granted by Emperor MEIJI.' I think that it is appropriate for the Emperor to say such things when KONOYE pays his respects to the Emperor or when he is received at tea, and to talk to him in a conversational manner instead of reading an Imperial rescript. At any rate how about mentioning it to KIDO and the Minister of the Imperial Household and also the Lord Chamberlain?"

On the afternoon of the 6th I met the Minister of the Imperial Household at the Tokyo Club and brought out this matter. The Minister of the Imperial Household was in general agreement and he said: "Will you mention this to the Lord Chamberlain also?" Therefore at 9:30 A.M. on the 7th, I visited the Lord Chamberlain at the Choshaen which was beside the Imperial Villa at Hayama.

We talked of various things concerning KONOYE, and he said: "To tell you the truth, I am greatly worried concerning Prince KONOYE. When I met the Prince the other day, he said to me: 'How about placing Professor of Literature HIRAIZUMI close to the Throne so that the

Emperor can talk to him on various matters.' I know this man called HIRAIZUMI, Sumi. He is an extreme rightist, and formerly, when he delivered a lecture in the Imperial Presence concerning the Imperial restoration of the Kemmu period, he praised Emperor GODAIGO very highly. His lecture was such that he indirectly criticized the present Emperor. Afterwards Secretary KINOSHITA seemed very impressed and said: 'It was very interesting', but KIDO was also saying: 'his lecture was very poor'. I also thought that it was very poor and at tea time there was an Imperial question.

The Emperor faced Professor HIRAIZUMI and said: "I listened attentively to your lecture. I know well of the sagacity of Emperor GODAIGO but were there not some errors in measures that he took?"

The Emperor also seemed to think that the lecture was very poor. He fully realized the wisdom of Emperor GODAIGO but the reason for so many irregularities was that there was inequality in rewards and certain other faults in his measures. The Emperor did not seem to think too highly of this lecture in which he unqualifiedly praised the Imperial restoration of the Kemmu period. For these reasons I think it very odd that Prince KONOYE should mention a plan to place this HIRAIZUMI close to the Imperial Throne. I think that an Imperial audience is all very good but let us do something after first conferring with the Minister of the Imperial Household."

We parted after this, and in the afternoon I returned to Oiso. Early the next morning I visited the Prince at his residence and reported on the general situation. The Prince said: "Nowadays the political parties

seem to be saying various things but I think that it would be better if they were more discreet. To give power to the political parties would be futile considering their low quality." He added: "I believe that it is best for the Cabinet to carry out at this time government operation of electric power and the enlargement of the air force. You can relay my opinions to HIROTA."

On the night of the 6th I called Professor KIYOMIZU on the phone and attempted to meet him, but he happened to be on a trip to Kyushu. I heard that he would return to Tokyo on the 7th on the Fuji. According to his wife's story: "During his absence War Minister TERAUCHI has often called and asked whether he had returned." I knew that this was because I had talked to TERAUCHI at Oiso when I met him there, and he seemed to want to meet Professor KIYOMIZU. I thought that I had better talk to Professor KIYOMIZU before he did.

On my return from Gotemba, I stopped at Numazu, and waiting for the arrival of the Fuji, I boarded it and returned to Tokyo. On the train I reported all the details of my conversation with War Minister TERAUCHI. If he (KIYOMIZU), should meet War Minister TERAUCHI - the Prince had also talked to TERAUCHI so he would understand it fully and he had said: "Men such as Prince IWAKURA tried the State Councillor system but even with men like himself there were numerous irresponsible acts in this system. It was discovered that with a large number of ministers without portfolio the government would not run smoothly and it was decided to have a succeeding cabinet. These are facts." I told Professor KIYOMIZU to talk to TERAUCHI of such facts and to tell him that there was

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need for caution because the young men were attempting to carry out government by Russian despotic administration. I requested him to guide TERAUCHI.

I returned to Tokyo and met the Premier. I talked of Baron TERAUCHI and of the Prince's anxiety. I also told him of my meeting with Professor KIYOMIZU and returned by train to Oiso. I rested in Oiso on the 9th and 10th. On the 11th I returned to Tokyo and met the Foreign Minister.

The Foreign Minister said: "The general outlines of national policy which were decided upon by the War and Navy Ministers were presented, so the Finance Minister and I made some inquiries concerning it. We were of course in agreement with the general details and the five Ministers - Premier, Foreign Minister, Finance, War and Navy - conferred on it again. We considered having the Cabinet Conference accept our decisions. However I examined this for a second time and decided to make it a decision of the five Ministers. I believe that in order to decide it in the Cabinet Conference, it would be necessary to eliminate specific details such as 'the administrative organs, etc' and make it a matter of abstract principle. We plan to amend this in certain portions and present it at the Cabinet Conference as the basis of national policy. We will report the diplomatic policies based on this to the Cabinet members, and the Premier will report these two this coming Saturday to the Emperor.

I forgot to mention this but on the night of the 4th I met KIDO, IWAKURA, OKABE and so forth at the Kinraku in Tsukiji. We talked on various subjects - the

lack of good men in the Foreign Ministry; and future reforms in diplomacy.

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Saionji - Harada Memoirs

Chapter 213
(23 August 1936)

Personnel Problems

Translated by Lieut. Morio Morihara

On the 13th I met the Foreign Minister, and he said: "Germany wants to make a public statement concerning joint defense against the Third International. However, the Japanese Government is opposed to this and is hesitating to agree to it. The day after tomorrow the Premier will report to the Emperor on the national policies which have been decided, and he also plans to report on diplomatic policy based upon them." After that I also met the Premier and he said the same thing as the Foreign Minister.

On the morning of the 14th, newly appointed Chief Civil Administrator ONO visited my residence on a courtesy call and we talked for a long while. ONO said: "Since Korea has been governed rather quietly by UGAKI, I think that it is better for MINAMI not to do too much or to get excited over various matters. I would like to have MINAMI devote himself wholeheartedly to his job as Governor General of Korea, without paying any heed to the various political disturbances in the home land."

At noon on the 14th, I invited an American to dinner. SAKATANI had returned from Manchukuo at that time and he came also. KANO, who had returned from Lodnon, also came, and they anxiously and unanimously stated: "Future trade tendencies are on the down grade, and the monetary exchange looks very bad. If Japan does not proceed with strong determination a depression may come and as a result of that a revolutionary period."

On the 15th, I went to Gotemba and reported on the

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general situation. The Prince said: "It seems as if things will not calm down unless the punishment of KITA, Kazutaru, NISHIDA, Chikara and General MAZAKI for the February 26 Incident is decided upon. I wonder if it can't be rushed?" Concerning Prince KONOYE, he said: "I wish that he would take an attitude in support of the Government."

On my return, I stopped at the Fujiya Hotel and had lunch. When I came out to the lounge, Railway Minister MAEDA, and NAKAMURA, Chikubei were present and were conversing. They seemed lost in thought and said to me: "What should be done in the future with existing political parties?" They added: "Has the Prince said anything concerning a solution?" I replied: "The Prince is always saying: 'In spite of all that is said the people's level is like this. Therefore I do not think that it is a problem of political parties, etc., but that there is a need for good men in the political parties and the political parties themselves must awaken. However, there seems to be no solution except to educate the people first of all thoroughly in political knowledge and to raise the national level.'"

When I said this to Railway Minister MAEDA, he replied: "I wonder if there is no immediate method instead of such a plan, requiring twenty to thirty years?" He insistently asked for my opinions and I replied: "As for myself, I am not too familiar with the problem but it is my opinion that if the present and its succeeding governments will endeavor to stabilize the political situation with honest objectives, they will be left alone to execute this stabilization and to carry out policies

f r the good of the people. If the political parties will wait for two or three years, they will probably be able to recover confidence again. However if they should seem to crave political power, and if the names of previously notorious persons (even if they are actually good men) such as HATOYAMA (I have been intimate with him for a long time, and know him well; however the public considers HATOYAMA as the crystallization of rotten politics and I feel very sorry for him) were to appear prominently in party movements, the political parties will again be severely criticized. The political parties must place men who enjoy considerable confidence from the people in their ranks and proceed in conformity with true national policies. It must become so that the political parties are considered as having disregarded 'parties' and are sincerely thinking of the nation's well being. I will pay more consideration to the matter." We parted after that.

That evening Foreign Minister ARITA and his wife had promised to come from Zushi to visit my residence in Oiso. Mr. and Mrs. ARITA came just about 6:30 and we had supper while conversing upon various subjects. ARITA said: "In general, the Army has shown intentions of cooperating with the Foreign Ministry. However it can't be said that we've agreed completely. MATSUOKA (of the Manchurian Railways) was saying: 'Whatever the case may be, the foundations are poor. Therefore no matter how much diplomacy is used, it won't be of any use' and I think he's right." Mr. and Mrs. ARITA left late that night.

On Sunday afternoon, the 16th, since War Minister TERAUCHI happened to be at his villa in Oiso and I had

a previous agr ement to meet him, he came about 2:00 o' clock. TERAUCHI said: "Actually, I'm worried as to w.. ther HIROTA will unhesitatingly execute it." The subject of government control of electric power was also brought into the conversation, and I said: "Tokyo Electric will reduce its rates." He said: "If they want to do it, they can do it any time. It is outrageous that they do not do it." He went on to add: "The Zaibatsu are becoming increasingly reluctant to donate money. This is also very bad and I plan to exhort them. I think that the Army's side will quiet down but there are many things to be done." He also added: "If by any chance the Cabinet should resign, who is going to be appointed? We will be in a fix if there is no suitable person. It's bad if UGAKI, having resigned his post as Governor Gene al of Korea should loiter on his way home to Tokyo, isn't it? If he really plans to take over the next cabinet, wouldn't it be well if he came back and started making preparations?"

I said: "I don't think it has necessarily got to be UGAKI...." TERAUCHI said: "There's no other person in the first place." I inquired: "If he should be the Premier, who is going to be the War Minister?" He replied: "Since there is no other person, we'll make it KOISO."

I said: "That seems to be entirely different from the way in which you were to renovate the Army. KOISO was more involved in the March Incident than was TATEKAWA. KOISO is known as a notorious schemer and to bring KOISO in as a successor might serve as an anticlimax. Do you think it is all right?"

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The War Minister answered: "I have also thought of that. It is not necessarily going to be KOISO." I said: "There is talk among the young men about giving the War Ministry to ITAGAKI, Chief of Staff of the Kwantung Army. How about that?" He replied: "It's foolish." He continued and said: "There is also talk of appointing SUGIYAMA, the Inspector General of Military Education." He also said that it would be well to issue a lot of bonds, and stoutly denied what the paper had quoted him as saying. I said: "It may be permissible to increase the issue of bonds as necessary, but there is a limit to it and if it is done awkwardly, it will bring about rising prices. If there is a rise in prices, we will not be able to expect a stable standard of living for the people, which the Army is demanding. Evil social problems which arise as a result of high prices are to be feared very greatly. We must pay great heed to such things and government bonds must be issued only after consulting the opinions of experts. If you say things haphazardly, the present situation is such that people will blindly follow the War Minister. This is a serious problem because there must be no errors made at the present time."

The War Minister said: "I have given that matter serious thought. Concerning the things we must do in the future - we must decide right away that 'we must do such and such' and then determine the financial methods. However we will not be able to accomplish anything if we try to keep within the limits of our revenues." We agreed that the matter needed a great amount of circumspection, and after talking of various other things, I returned

about 5:30.

On the 16th I met the Premier after the Cabinet Conference. The Premier said: "This morning, before the Cabinet meeting, the War, Navy and Finance Ministers, and myself, met concerning the problem of ways in which to adjust the national policy. We need considerable research concerning the problem of electric power, or the methods of controlling electric power. Next we have the problem of reforming the educational system. The basis of educational reform is an understanding of the national structure, and the contents of educational reform is improved subject matter. In spite of this the Education Minister seems to be thinking of extending the years of compulsory education, e.g. of adopting the eight year system of compulsory education, but he is completely mistaken.

"On the 15th I went to Hayama and was received in audience at the Imperial villa. I reported on the diplomatic plans concerning national policy. The Emperor said: 'Strive to execute this through complete cooperation between the Army and the Foreign Ministry.' He seemed to be quite satisfied."

On the night of the 18th the Minister of Finance and I had supper together at the Horyu. The Minister of Finance said: "The total budget for the year 1936 was 2,300,000,000 yen. 1,006,000,000 yen was allowed for the Army and Navy. If things go as planned the budget for 1937 will be 2,800,000,000 yen and of it 140,000,000 yen will go to the Army and Navy. In the long run, there will be an increase of 500,000 yen in the 1937 budget over 1936. Of this 500,000,000 yen, if we get 150,000,000

from rational bonds, 350,000,000 from increased taxes, government monopoly revenues, natural tax increments, and special government accounts, we will be approaching our ideal."

Then the Finance Minister said: "The training of the War Minister must be made thorough or we will be in a fix. He has no basic knowledge concerning finance and politics, and his decisions seem to be thought up on the spot. It is very dangerous. We must have him educated somehow." He added: "The Minister of Education is in the most precarious position. We do not know what trouble might arise if he should resign or something. I wonder if there's no way of preventing the Minister of Education from resigning." The other day HAKAJIMA, Perliamentary Vice-Minister of the Finance Ministry, related some fishing tales of Tosa. He said: 'In Tosa, young men full of energy fill a boat and set out to get sea-weed. If their strength and vitality is left unchecked, they would collect sea-weed without any limit and would blindly continue until the boat sank. Since that is dangerous, an elderly boatman is on the boat and steers it, so that it will not sink and there will be no danger. Thus they set out.' I related this story to the Minister of Education and told him: 'The Minister of Education is the senior member of the Cabinet. Therefore, in order to steer the Cabinet through safely, you must take the helm. That is why I hope for caution on your part.' Minister of Education HIRAO didn't say a word.' The Minister of Finance continued: "Concerning the Minister of Education, I would like you to talk to him immediately so that he will not resign under any condition." He was

in a great hurry so I said: "I will think of some way," and we parted.

I had heard that KAGAMI, Kenkichi was formerly on very intimate terms with the Minister of Education and that he was one of the people who had told the Minister of Education to resign if his contentions were not accepted. I called FUNADA, Kazuo of Mitsubishi on the phone and asked for KAGAMI's address; he replied: "he has gone to Ikaho and is not in Tokyo any more." I told him: "I have something to tell you so will you listen to me? After I had waited about an hour FUNADA came.

I told him: "The Minister of Education is very obstinate and is saying such things as: 'If my proposals do not pass, I will resign immediately', and KAGAMI, Kenkichi also seems to be of the same opinion. I hate to request this of you, but will you go to KAGAMI's home and talk to him so that the Minister will not resign? The present Cabinet is trying its best to alleviate the general situation, not to mention its effort to renovate the Army. The whole political aspect is turning in the proper direction, and in diplomacy, the attitude of the military, and domestic affairs, there may of course be some shortcomings but in general every one is endeavoring to set the minds of the people at ease. Matters necessitating great speed, or problems which have to be decided upon immediately, are different. However, at this time, when things are progressing in the right direction, if the Minister of Education should stick to his contentions concerning a mere matter of extending the period of compulsory education, and if the Cabinet should be dissolved because of

disunity, or if it should waver, there is a danger that the whole situation will revert to its original status. Today, when everything is about to be stabilized, it would be regrettable for different individuals to stress their own opinions concerning matters under their administration. I want you to stress to KAGAMI that, to take a broad view of matters, the Minister's assistance to the Emperor is not simply as a Minister of Education, but he must also consider his responsibilities towards the whole political situation as a State Minister and must take a discreet attitude at the present time. Prince SAIONJI has always been greatly concerned about such matters, so please tell that to KAGAMI, in order that he may relay it to the Minister of Education."

When I requested this of FUNADA, he said: "Since that is a very important matter, I will go to Ikaho in two or three days and will speak to KAGAMI."

On the morning of the next day Baron IWAKURA also came to my home and talked of Minister of Education HIRAO. I told Baron IWAKURA to prevent the Minister of Education from acting rashly and I also explained things thoroughly to Viscount OKABE. Baron HAYASHI, Gonsuke was also an old friend of HIRAO and was especially close to his private secretary, IWAI, Takanito, so I told the same thing to Baron HAYASHI as I had related to FUNADA. Baron HAYASHI was in whole hearted agreement and said: "From a diplomatic standpoint, this is an important stage, when diplomacy is achieving a certain degree of unity and is about to proceed on its regular course. Therefore I will try my best to prevent any unrest. I will meet HIRAO right away."

Personnel Problems

Concerning the talk about desiring to have Minister of War TERAUCHI take a more circumspect attitude, I called upon General ABE in the morning and related to him various details about the Minister of War. I said: "The other day when the Minister of War came, he was saying: 'I will make KOISO, Commander in Chief of Korean Forces, as my successor'; I opposed his saying such things. How do you feel about it?"

General ABE was in complete agreement with me and said: "That is very dangerous. The other day when I talked to General MINAMI, he said: 'We must refrain from sticking our noses into the affairs of the War Minister when he is devoting himself so wholeheartedly to his task.' However, there is no telling when there will be a political change so we must think of a War Minister for that time. We think that the most appropriate man is Lt. General SUGIYAMA.' We parted after that."

The Minister of Education was also mentioned. When General ABE was the commander of the Osaka Division, HIRAO was a leading financial figure in Kansai. However, since there were some points in which he lacked an understanding of the Army, the Chief of Staff at that time (present Chief of the Personnel Bureau) Major General USHIROKU, was one of those who were sent to confer with the industrislist in order to give him a better understanding. In this way USHIROKU was on friendly terms with HIRAO.

General ABE then said: "HOZONOGUCHI came the other day. He said: 'The War Minister is talking of bonds, etc., but his statements show a lack of knowledge.' So the other day I told Vice-Minister UMEZU: 'Please assist

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him so that he will not say anything rash. It would be well to ask the President of the Bank of Japan, FUKAI, who is an authority, concerning government bonds.'" We talked of various things and I returned to my home. I agreed to talk with Admiral KOBAYASHI concerning the selection of HORIKIRI, Zenziro and the Secretary General at my home, and he came. We talked until after lunch and parted without reaching any decision concerning the selection of personnel.

In the afternoon I went to Oiso. On the 22nd I went to Gotemba and visited the Prince. I reported in detail the various matters which had taken place since I last saw him. The Prince said: "I don't think that things will be completely settled unless the February 26 Incident is completely taken care of as soon as possible. Is everything all right?" I replied: "I wonder if it won't be finished by the time the Grand Maneuvers are executed?" I also gave him the rough details about War Minister TERAUCHI and Minister of Education HIRAO.

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Chapter 214
(3 September 1936)

Kobayashi to Formosa

Translated by Lieut. Morio Morihara

On the afternoon of the 23rd I went for a walk and headed for War Minister TERAUCHI's villa. We talked for two or three hours. Concerning the matter of Lt. General TATEKAWA, War Minister KAWASHIMA had revealed in the presence of the Supreme War Councillors, during the time of the February 26 Incident, that former War Minister HAYASHI had reported secretly to the Emperor his intention of installing Lt. Gen. TATEKAWA as Commander of the 4th Division. The Emperor inquired whether "TATEKAWA was all right." That was probably the only reason why Lt. Gen. TATEKAWA was forced to resign. The fact that the Emperor questioned his ability probably was also a big factor in the War Minister's hesitation to promote him to a higher post.

The fact that the War Minister of that period, KAWASHIMA, spoke so lightly of the Emperor's opinions concerning individuals in the presence of the Supreme War Councillors, seemed in War Minister TERAUCHI's opinion to be probably because the former Chief Aide-de-Camp had said such things to the Emperor. I said to War Minister TERAUCHI: "I wonder if such men as MAZAKI and ARAKI didn't utilize KAWASHIMA's carelessness and have him say these things on purpose in front of everyone in order to overthrow TATEKAWA?" The War Minister replied: "That may be so."

I told TERAUCHI that yesterday when I spoke to the Prince at Gotemba about the TATEKAWA incident, the Prince was worried and said: "They must be very careful whom

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they allow close to the Throne." TERAUCHI said: "This problem is already settled, so I do not want to talk any more about it. The Prince must also be greatly worried about such things."

Then the War Minister and I talked of whether or not the Grand Chamberlain would resign. The War Minister said: "I am to blame for the fact that he became the target of such a person. Therefore the thing for me to do is to resign from my position close to the Emperor."

I said: "When the Genro and the men who became the targets of assassination must all resign once. If that is done, we will be playing into the hands of the rebels At any rate, even if the Grand Chamberlain should resign, we must not show any direct connection with this. If they should begin to say: 'When resignations are desired attack them with bayonets. The outcome of the attack doesn't matter', things will be exceedingly disagreeable. Therefore it is better that the Grand Chamberlain should resign for totally unrelated reasons, saying: 'I cannot fulfil my duties because of old age', or: 'I will make way for a successor.'"

When I explained this fully to the War Minister, he said: "That is true too." I further stated: "I am absolutely opposed to appointing Lt. Gen. KOISO as the succeeding War Minister. Your renovation of the Army will be meaningless then. That is undesirable." The War Minister said: "I have been giving it considerable thought." After that, the two of us went for a walk and chatted with each other for about an hour.

There was a telephone call from IWAKURA on the morning of the 24th and he said: "I had a good talk with

Minister of Education HIRAO. HIRAO said: 'Concerning matters under my jurisdiction, I will certainly not be stubborn about resigning. I will consider things in the light of the whole political situation and no matter what happens now, I will not voice my opinions concerning resignation."

On the afternoon of the 25th, I met the Premier in Tokyo. The Premier said: "We decided on the so-called seven clause national policy at the Cabinet Conference. It went like this: 1. Fulfilment of National Defense; 2. Improvement and reformation of the educational system; 3. Reorganization of a centralized tax system; 4. Stabilization of national living; 5. Promotion of industry and expansion of trade; 6. Establishment of important Manchukuo policies; 7. Reorganization and improvement of administrative organs. Everyone generally approved this program and it was passed successfully."

That afternoon I visited Finance Minister BABA at his official residence and told him that the wavering feelings of Minister of Education HIRAO had subsided. I went on to say: "I temporarily postponed FUNADA's visit to KAGAMI."

The Minister of Finance said: "It is bad that the Minister of Education should totally refrain from resigning. It will be more convenient for the Government if he resigns when the budget takes shape, before the opening of the Diet. I say this because there is government control of electricity, and when it comes to the problem of extension of compulsory education there are men of HATOYAMA's faction in the Education Ministry, and the Seiyukai will probably raise troublecome issues.

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Aside from the extension of compulsory education, the Ministry of Education has made no preparation whatever for the reformation of education. It will inevitably suffer great damage, so it will be better, both for the Government and for HIRAO, for him to resign at an opportune moment."

On the 26th I met the Foreign Minister. As soon as he saw me, he asked: "Did you meet the Premier?"

When I replied: "I met him," he inquired whether the "Premier wasn't feeling pessimistic." I replied that he showed no visible signs of pessimism, whereupon the Foreign Minister said: "I was greatly surprised at yesterday's Cabinet Conference. Minister of Finance BABA said: 'There is already an understanding with the War Minister concerning national policies. Therefore all we have to do at tomorrow's Cabinet Conference is to get together and sign.' Therefore I thought that things would proceed smoothly. The Premier seemed to be of the same opinion. He related the rough details, and when he said: 'I request the signatures of the various Cabinet members,' War Minister TERAUCHI suddenly said: 'I cannot sign in agreement to such an abstract proposal.' Since War Minister TERAUCHI started grumbling, the Agriculture and Forestry Minister, the Navy Minister and I tried to persuade him by saying: 'We have come this far and the papers have published the fact that we will reach a decision today. As long as we have the general outline, all we have to do later is to carry it toward execution. Therefore, even if it contains no specific items it will eventually reach concrete form when it is implemented.' In this manner. he finally was led to agree and the problem was settled.

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TANOMOGI, Minister of Communications, and Minister of Education HIRAO imitated the War Minister's opposition and manifested similar annoying opinions, but in the end they agreed and signed. At that time the Premier looked very troubled. He certainly mishandled the matter."

There were some rumors that Ambassador SHIGEMITSU was to be sent to Russia. In the evening, Admiral KOBAYASHI visited me and said: "OTANI, Kozui came to my place the other day and after various remarks I said to him: 'If by any chance I should be appointed to the Formosan governor-generalship, there are many candidates for the secretary-generalship. Among them, there is MORIOKA who is a good friend of yours.' OTANI replied: 'MORIOKA is my political adviser. Prince KONOYE is supposed to receive an Imperial order because this present Cabinet will most likely continue for two or three months more. MORIOKA has been promised that when Prince KONOYE forms a Cabinet he will have the position of Chief Secretary. Therefore, even if MORIOKA is loaned to you it will be for only two or three months, after which we will be forced to request his return. I do not directly mingle in politics, but my brother SONYU is in the Diet in my place.' He is certainly an odd person."

I knew MORIOKA well and thought it would be beneficial if I told him these things. I resolved to talk to him for his own reference in the near future when the opportunity presented itself.

The replacement of the Formosan Governor-General was belated and was not proceeding rapidly. I heard

some evil rumors. In order to promote the retention of Secretary-General KIRATSUKA, rumors have credited IZAWA, Takio with scheming: "If a new secretary-general is going to accompany KOBAYASHI, I will not be able to stay so I will endeavor to prevent Admiral KOBAYASHI from appearing."

I became greatly worried, so I called the Navy Minister. I said: "At the next Cabinet Conference you had better urge the Minister of Overseas Affairs on. Both the Premier and the Minister of Overseas Affairs are such that if you do not urge them, they will postpone things forever. They do not do things the easy way so you must urge them on. If they are slow, the longer problems are shelved the more new problems will arise. In the end this inertion will be used to attack the Administration, so I think it is better for you to spur them on." When I said that to the Navy Minister, he replied: "I will talk immediately with the Minister of Overseas Affairs," and hung up.

On the 27th the Superintendent-General of the Metropolitan Police came to my home and we talked of the Iribune Kannon. The Superintendent-General said: "The children of Count KIYOURA are actively carrying out relief movements. Therefore I just told the Minister of Home Affairs: 'Even if Count KIYOURA makes requests of you, please do not comply.'"

In the afternoon Count HODAMA appeared at my home and talked about War Minister TERAUCHI, etc. He was quite concerned about the Government, so I told him various things and requested him to offer general guidance to War Minister TERAUCHI.

That night three of us - Inspector-General of Military Training SUGIYAMA, the Foreign Minister, and I - had supper at the Yamaguchi in Tsukiji and conversed until about 12:00 o'clock. Inspector-General SUGIYAMA said: "In general, the feelings of the Army seem to have subsided, but there are some difficult aspects. However, although there may not be another incident such as the February 26 Incident, War Minister TERAUCHI must encounter serious difficulties." He was very sympathetic toward him. He went on: "I think that the problem of UGAKI is very difficult. Recently young men such as ISHIHARA, Kanji have said: 'We do not want UGAKI. We want HIRANUMA.' They also talked of General UGAKI in conjunction with the March Incident. However they are not necessarily entangled too deeply."

They were also greatly infuriated at the irresponsible acts of the Supreme War Councillors during the period of the Incident. Inspector-General SUGIYAMA said to us: "During the February 26 Incident, I was the Vice-Chief of Staff and appeared in the Imperial presence in place of the Chief of the General Staff. I reported secretly on the proclamation of martial law; the Emperor suddenly inquired: 'What policies do you have for quelling the insurrectionists?' He said also: 'Do not abuse martial-law.' I was overcome with awe. At that time neither the Lord Keeper of the Privy Seal nor the Grand Chamberlain was present. The Emperor himself immediately asked such questions and I was struck by the Emperor's wisdom and prompt decisions."

Also concerning foreign affairs, Inspector-General SUGIYAMA had views different from those of War

Minister TERAUCHI. He had been in the administrative department and general staff for a long while and understood various matters. His opinions closely agreed with those of the Foreign Minister. War Minister TERAUCHI was simple-minded and completely lacked basic knowledge. Foreign Minister ARITA had said: "I would like you to be very cautious in your words and actions concerning foreign affairs." But Governor-General SUGIYAMA lauded War Minister TERAUCHI, saying: "Although I agree with you on that point, he did a fine job of renovating the Army."

I told the Inspector-General: "If the clean-up of the Army goes well, I believe that War Minister TERAUCHI will have done very well."

On the 28th there was a Cabinet Conference. There was also a three ministers conference after that, and it was learned that the Navy Minister finally managed to urge the Minister of Overseas Affairs to carry out the replacement of the Formosan Governor-General.

At 4:00 o'clock on the afternoon of the 28th, I departed for Hayama to meet the Lord Keeper of the Privy Seal. I told him about Prince KONOYE and also told him: "Minister of War TERAUCHI seems slightly dissatisfied with many of the methods of the present Cabinet. I wish that you would reconcile him somehow." I also said to the Lord Keeper: "Concerning War Minister TERAUCHI's efforts for Army reorganization, I wish that you would pay him full honor and acknowledge his patriotic spirit." I also said: "Premier HIROTA is on friendly terms with every one, but things rarely go smoothly."

The Lord Keeper of t.e Privy Seal also seemed to feel some shortcomings concerning this but he conceded that "on the whole HIROTA was doing very well."

he Lord Keeper of the Privy Seal further stated: "I reported to t.e Emperor the other day concerning KONOYE, and the Emperor said: 'It would be well if he came to the p. ace. It would be fine if we could converse while . aying golf, but KONOYE seems to have g' en up golf nowadays, so I would like to have him look at my laboratory and I could talk to him there. After all he is older than I, so I cannot very well order him specifically. 'do this' or 'do that'. If something like this is wanted: 'It is difficult to follow up criticisms when one is in a position of responsibility. It is easy to criticise but quite difficult to execute matters once you are in a responsible position,' I may be able to speak to him. I will think of some good opportunity.' The Emperor went on: 'Will you also obtain Prince SAIONJI's opinions?' I said: 'If HARADA should come, I will transmit your wishes and will listen to Prince SAIONJI's opinions.'" That was the story of the Lord Keeper of the Privy Seal.

On the 29th I went to Gotemba and reported in detail upon happenings up to the present. The Prince said: "Concerning KONOYE, the Emperor seems to be quite right." We agreed to talk at greater leisure again and parted. I returned to Tokyo on the 3rd and met Admiral KOBAYASHI because he had expressed a desire to see me.

Admiral KOBAYASHI said: "In conferences with various people, they have said: 'The choice is either Chief Secre-

tary of the Cabinet FUJINUMA or Shrines Bureau Chief DATE, but they are too young to be a secretary-general. That is because the majority of Formosan bureau chiefs are seniors and it will be difficult to work with them. It might be well to select a more elderly person.' I carried on various investigations and called on the Lord Keeper of the Privy Seal. I consulted various opinions and in the end it was decided that MORIOKA might be suitable. I will talk to the Chief Secretary of the Cabinet and ask about MORIOKA. I will also broach the subject to the Minister of Overseas Affairs and if it is all right, I wish that you would solicit MORIOKA."

Chief Secretary of the Cabinet FUJINUMA and Admiral KOBAYASHI met at the Tokyo Club and decided on MORIOKA. They gained the Minister of Overseas Affairs' understanding by calling him on the phone. Since I was requested to do so, I invited MORIOKA and talked to him at length. He finally agreed and since he said: "Please let me meet the new Governor-General first," we had him meet the Governor-General at the Tokyo Club and he finally agreed.

On the night of the 1st I was invited to the Imperial Household Minister's residence, which is situated beyond Hayama, and the two of us talked on various problems until 11:00 o'clock, at which time I returned. The problem of KONOYE was brought up and the story was the same as that of the Lord Keeper of the Privy Seal. I promised that "I'd talk to the Prince about-it" and returned.

On the morning of the 2nd I met the Premier. He

said: "The War Minister has been insistently urging the realization of important policies, but aside from that there are no serious problems at this time."

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Chapter 215
(24 September 1936)

Saionji in Despair

Translated by Lieut. Morio Morihara

On the morning of the 2nd the farewell party for KANO, President of the London branch of the Yokohama Specie Bank, was held at the Foreign Minister's official residence. Seven or eight members of the House of Peers were invited for 8:30 in the morning. KANO spoke in detail about Great Britain and said: "Although Britain is considered to be an old country, it is an active one. I resided in America for a long time and did not have any interest in England, but during my ten years stay in that country I found that it was a country possessing boundless energy. Therefore Japan must keep in step with Britain and must be useful to her. At the same time we must utilize her to a much greater degree. It is disadvantageous in trade and all other relations to take an opposing stand."

On the 3rd I met the Inspector-General of the Metropolitan Police. He said: "There are various rumors at this time, but things appear to be all right. I think that protective measures in the absence of the Emperor during the Grand Maneuvers are very important." He also talked of the question of the Iribune Boarding House and former Head Court Lady SHIMAZU. I said: "The former Commander of the Military Police, Lt. HATA, and SHIMAZU, former Head Court Lady, are quite closely connected. Isn't there some association with the Tientsin Doctrine that HATA was subscribing to?" The Inspector-General replied: "We are in the midst of investigating it right now."

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In the afternoon the Commander of the Tokyo Military Police came to my residence. He stated: "One element is very dissatisfied and is saying: 'It is outrageous that General MINAMI should become the Governor-General of Korea and that Lt. Gen. MINOMIYA should become the president of such a firm. It is the result of the Kodoha's intimidation of the Toseiha; War Minister TERAUCHI is a puppet of the Tosciha.' The young officers and rightists are working in close conjunction and if the Cabinet does not carry out a renovation of government, the situation is such that it cannot be guessed what they will do," said the Commander.

"The general policy concerning MAZAKI, the civilian KUHARA, and ISHIHARA is already decided in the legal proceedings against them, and although the charges are not yet definite, prosecution has been decided upon. MAZAKI's crime will be the instigation of a revolution and a rebel army, under Paragraph 3 of the Army Penal Code. This involves death, life imprisonment, three years or more imprisonment, or penal servitude, and KUHARA is subject to this same punishment. ISHIHARA's charge is 'aiding the rebel army' and is more serious. KITA and NISHIDA will, of course, be subjected to the death penalty.

"Concerning Commander of the Military Police HATA, he received 50,000 yen from the Taihei Gumi when he was the Head of Special Service Facilities in Mukden a few years back. This was discovered when UEMURA was the head and it is also one of the problems."

On the 5th I met Foreign Minister ARITA, and he said: "I visited Hayama and reported on the various details of foreign affairs. We must make abstract requests

of China, such as the eradication of anti-Japanese activities, and leave concrete details such as the revision of textbooks to them. At any rate we must correct the gloomy aspects of Chinese-Japanese relations."

I talked lengthily with Minister of Finance BABA, and he said: "The problem concerning Minister of Education HIRAO seems to be gradually diminishing but the electric power problem is a difficult one. Concerning the reorganization of the House of Peers, the only way would be through the creation of an investigation committee. The Army budget is also a difficult one."

On the same day I went to Gotemba and related the happenings in the Ministry of Imperial Household. The details of Prince KONOYE's proposed audience with the Emperor were also brought up and the Prince said: "The papers will not find cause for criticism in the Emperor's audience with KONOYE, will they? This problem must be handled with considerable circumspection. The Emperor must convince him by very warm and friendly methods."

I told the Prince: "There seems to be considerable criticism directed against the HIROTA Cabinet, accusing it of not accomplishing anything."

The Prince said: "Both SAITO and OKADA were accused of dilly-dallying and I imagine that people will say the same thing of HIROTA. If the reformist faction should say such things - one would wonder whether there wouldn't be men in the Cabinet who would fight the Army, but there is no one who has the necessary courage. It is of no use unless a cabinet is ready to fight for its contentions, but that is quite impossible in these times and there may be no other solution except the way in which HIROTA is

working. If there should be a fight, the Constitution will be thrown out the window. Even now it is half abandoned, so no matter what the criticism, there is no other way but to handle things gradually."

On the 6th I met with the War Minister. War Minister TERAUCHI said: "The Kwantung Army apprehended a priest of the Honchoji in Manchukuo who went about claiming that he 'received the Emperor's gloves'. Under questioning he said: 'I received them from the Grand Chamberlain, from the wife of the Grand Chamberlain before she departed.' The Army said: 'Even if he received them, he should not have used them for propaganda purposes' and was very resentful. It said: 'Return such a priest to Tokyo', but the matter is still left unattended to. Concerning the Iribune boarding-house incident, the defendat has said: 'It is also an act of disrespect on the part of Prince HIGASHI-KUNI. If you prosecute me Prince HIGASHI-KUNI's offense against the Emperor will also be revealed.' He is saying: 'I am not saying that as a means of saving myself', so I told the Commander of the Military Police: 'You'll have to do something drastic.'"

The War Minister continued: "There are rumors that the Emperor will impose certain conditions upon this reorganization of the Cabinet. What about it?" I replied: "To the best of my knowledge, no such thing is contemplated." The War Minister said: "That is what I believe. Yet there are men who say such things...." I said: "To change the conversation, I wonder if it would not be better if this Administration restored the former pay rates and even made salary increases?" The War Minister responded: "I agree, but it is inappropriate for me to

mention it." I replied: "It would be a different matter for an ordinary War Minister, but if a man like you, who has such an illustrious father should say it, it would not be a bit odd."

After that various problems arose in China, such as the Pakhoi and Shanghai incidents, but in general the Government endeavored to quell such disturbances locally. On the other hand the Government, as formerly, seemed to consider CHIANG Kai-shek and the betterment of Sino-Japanese relations as national problems.

At the Cabinet Conference of the 11th, the War Minister reported: "It is decided that workers in munitions factories may not join ordinary labor organizations." The Foreign Minister revealed that the Emperor would appear at the ceremony marking the completion of the new House building, and said that a regional investigation committee would be promptly formed concerning the Pakhoi Incident. It was decided that CHIANG Kai-shek would be very happy if a blow were dealt to the 19th Army. It would be better to have CHIANG execute it."

Our naval units dispatched to Shanghai were hit hard by the 19th Route Army, and feelings of revenge are very strong. However they are being suppressed.

On the 12th I visited the Prince and reported on the latest details. I left on the night of the 13th and went to Osaka and Kyoto. While I was there the Foreign Ministry and the Ministry of Commerce and Industry were debating on the reorganization of the system for the promotion of trade, so I heard various opinions before I left. When I went to Osaka, some of the higher officials of the Foreign Office were in Osaka. Although propaganda

was bad, I thought that it was necessary for men in important positions of trade to gain an understanding. I called the Foreign Minister during my stay there and told him: "It would be a good idea to send SAWADA, who is free, to give an understanding to the principal industrialists of Osaka." The Foreign Minister said: "It is very necessary, so I will ask him, by all means."

After conferring with KOKURA of the Sumitomo Bank, on the night of the 16th, when SAWADA came to Osaka, I gathered about ten of the principal industrialists at Sumitomo's residence in Unagidani and had SAWADA talk upon general aspects of the problem. He voiced the same general opinions as the Foreign Ministry. The industrialists voiced their opinions, saying: "The Foreign Office's position concerning commerce and trade is that of an intermediary, and it does not cooperate at all concerning the main policies. We hope for more determined endeavors on its part." With this request, the group in Osaka was well satisfied and broke up after talking of various other matters.

I went to Kyoto on the 17th and to Gotemba on the 19th after I had completed my business. I met the Prince and he said: "About the relations between the Iribune boarding-house and Prince HIGASHI-KUNI, the Imperial Household Ministry should naturally handle matters concerning the Imperial Family. However, it is better for all other matters to be referred to the Judiciary Department for thorough investigation."

After that I returned to Tokyo. The Prince was to move from Gotemba to Okitsu on the 21st, so I went to see him off. The Prince said: "You must caution the

Premier and War Minister during the Grand Maneuvers. Unpleasant incidents always happen during the Imperial visit. People attack the Administration; criticize the aides; and blame the authorities of the Imperial Household Ministry by branding some acts and simple words as disrespectful. At such times the War Minister must take the utmost precautions. It is well to warn TERAUCHI."

Therefore, on the 22nd, I related the Prince's general words of warning to the War Minister and the Premier after the Cabinet Conference, at the Prime Minister's official residence. The War Minister said: "I do not think that there are such persons in the Army," so I replied: "It is immaterial whether there is such a person in the Army. If such a thing should unfortunately transpire, the smallest matter will be greatly enlarged if the War Minister should believe it and immediately exclaim that it is 'outrageous'. There are also times when he will be led into believing it. At such times he must suppress them by saying: 'We are in the midst of an Imperial visit. It will be better if we investigate it thoroughly when His Majesty returns and make our decisions after finding the actual facts.' If the Army should claim certain acts as disrespectful during the Imperial visit, small insignificant things will expand to unexpectedly large proportions. This is inexcusable and this is just a warning in the hope that you will remember these things. I am not accusing you of anything, nor is it a question of whether these possibilities exist in the Army. The rightists may be planning something systematically, or the opposing parties may utilize insignificant matters to injure the

Administration. In some instances men bearing animosity toward the War Minister may be scheming to deprive him of his foothold. We must be prepared for any eventuality and if a truly disrespectful act is done it is sufficient to punish the responsible person at the spot. Even if the Cabinet should be involved it would be better to investigate the facts after the Emperor's return when things are settled. A decision could be reached then. There must not be any agitation on the trip. No matter what is said, the Army is a great power. If the Army should start anything rash it is my opinion that it will be indeed regrettable."

War Minister TERAUCHI understood everything very clearly and the Premier was well pleased. "It was a very fine word of warning," said the Premier. Concerning the Premier, President of the Bureau of Peerage and Heraldry KIDO came to my home and said: "Actually, the Minister of the Imperial Household should report this to you. Things have not progressed yet to warrant an official report from the Imperial Household Minister to the Premier. However, Grand Chamberlain SUZUKI is expected to resign after the Grand Maneuvers and I, as the Minister of the Imperial Household, have resolved to bring about his resignation. I would like you to understand this."

About three or four days ago the Army and Navy Ministers came from the Premier and brought a proposal for the renovation of the Cabinet. They said: "Please do it", so I replied: "I shall give it full consideration" and departed.

In the morning the War Minister appeared again and

said: "We would like you to execute it by all means. Right now the Cabinet has a job on its hands. In government control of electric power, and in all other administrative policies, it must request a budget from the Diet. It must work with undivided attention in the compilation of the budget and the execution of the Cabinet's national policies. After that is done, and after the necessary aspects concerning the abolition and amalgamation of ministries - in other words, the reorganization of the system - are clarified; then it is permissible to execute it. If we carry out the renovation of the system in the middle of things, and argue as to where to put the Ministry of Communications; what to do with the Ministry of Agriculture and Forestry; etc., matters will be only half finished. Even if it should be done the project should be started by creating an investigation committee only after the Grand Maneuvers are completed and the budget has taken shape. There is room for debate, from a constitutional standpoint, as to whether the cabinet Investigation Bureau has the right to wrest the budget formation rights from the Finance Minister. Of course I am not saying that we should not do it. However we should consider the proper time and other details before acting on it. There is no need to execute things hastily."

The War Minister understood everything, and said: "Please give it your attention," and left for the Grand Maneuvers in the afternoon of that day.

"If I should stand forth and utter such facts it would be all the more unsavory. Even if it's in my mind - I am not revealing it but am waiting for the

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proper time and place. Please show the Prince this proposal and familiarize him with its contents," said the Premier, and handed it to me.

I then met the Navy Minister in a different room. I told him of the intended resignation of the Grand Chamberlain after the Grand Maneuvers, which the Minister of the Imperial Household had told me about, and the Navy Minister regretted it greatly. He talked of a successor but I didn't give him any concrete suggestions and we parted.

On the 23rd I met the Minister of the Imperial Household and the Lord Keeper of the Privy Seal. I related the talk which I had had with the Premier and the Prince's admonition to War Minister TERAUCHI. The Lord Keeper of the Privy Seal said: "The Emperor was greatly concerned about the China problem, and he inquired of both myself and the Grand Chamberlain: 'Is it all right to go to the Grand Maneuvers?' I replied: "In my opinion, it is perfectly all right for Your Majesty to proceed there at this time.'"

The Lord Keeper of the Privy Seal was very worried about the rightist and leftist problems and the present situation. However, upon thinking over his opinions, the Lord Keeper of the Privy Seal seemed to me to be taking a stand similar to that of the men connected with the Police Bureau who had resigned, instead of speaking as a present Government official.

At noon I met the Lord Keeper of the Privy Seal at his official residence and reported upon the matter which was discussed with the Premier and the Navy Minister. I returned after soliciting his opinion on a succeeding

Grand Chamberlain. He thought that Admiral NOMURA would be the most appropriate person.

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Chapter 215
(30 September 1936)

Financial Worries

Translated by Lieut. Norio Morihara

I met the Premier on the 24th. The Premier said: "About four o five days ago the former Army and Navy Ministers came, bringing with them a thing called an 'Outline of Reforms and Renovation of Government Administrative Organs.' They said: 'We hope for the realization of this text,' and I said: 'I will try to comply with your wishes after further examination. At any rate this Cabinet must first of all accomplish something, and it must implement the 7 national policies that were decided upon the other day. Initially, we must pass the budget. We must carry on our work while planning the budget. Consider for instance the matter of government control of electric power. If the renovation of the administrative system is attempted simultaneously with it, the Minister of Communications, who bears the responsibility of solving the electric power problem will be transferred to some unknown office because of the renovation of the administrative system. If this happens the central figure in the electric power problem will be disturbed. Then he will be restricted in his actions and under no circumstances will he be able to round out his project. It will not be too late if this task is commenced after it is assured that the budget has already taken form and the way is clear for it. In the final analysis we will be able to discover for better after we do the work whether certain ministries will be better administered if merged with others and whether certain bureaus should be dispensed with. It is all right to carry it

o gradually after that. As for myself, I would like t, carry out the reorganization of the system after careful investigation.'

The two former Ministers seemed to understand my point and departed. They came again on the 23rd, and since the War Minister mentioned the same thing, I explained everything to him fully. When I received the Imperial order to form a Cabinet, I explained to the Cabinet members thus: 'This Cabinet may ultimately have to carry out a reorganization of the administrative system. In such a case I may have to ask for the resignation of some of you.' The Cabinet members will no doubt agree if such an occasion arises. At any rate this is a serious problem and I cannot be swayed into immediate action. I want to handle this in the best manner possible after full consideration."

I said: "It might be well to make a few preliminary gestures." The Premier said: "Of course I am going to do that. The War Minister does not seem intent on seeing all of his proposals executed." Speaking thus the Premier seemed a little more at ease than before. "In short, the Army-Navy budget is the important problem," said the Premier.

On the 25th, I met the Foreign Minister. He said: "The text of the treaty with Germany has been agreed upon. Germany seems to desire the publication of the treaty as soon as possible but Japan thinks that it will be sufficient if it is published sometime this year. That is because the Soviet-Japanese Fisheries Treaty is expected to be concluded by October, and we want to reveal it after that. The reason we want to bear with the Chinese

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problem is that we will gain a deeper sympathy from the foreign countries by doing so. That would be somewhat to Japan's advantage in case of a crisis, and the Navy is being told to endure it a little while longer."

I met the President of the Bank of Japan and inquired as to what effect the proposed revision of the tax system revealed by the Finance Minister would have upon financial and business circles.

President FUKAI said: "Stocks went down once but have recovered today. I believe that the management of joint stock companies will become rather difficult. The banks' greatest concern is the reaction of the depositors. Although it's not too serious there is a tendency for fixed deposits to decrease. The fixed deposits might be transferred to public loans and debentures because, to be frank, it is easier by so doing, to evade taxes. The Finance Minister seemed to be greatly worried about the sale of government bonds, and there are signs that he has worked hard in that direction. This can be seen from the option allowed to select either the income at source tax or the total income tax. An attempt at preventing the decrease of fixed accounts was made with the income at source tax. In the final analysis, if the money expended for stocks increases the management of banks will have to change.

"This is a different story; a letter came directly from the President of the Bank of England saying: 'We will send a man named ROGERS to China to aid in the renovation of the Chinese monetary system. We would like the cooperation of Japan concerning this problem.' I spoke of this to the Foreign Minister...."

In short, their object seemed to be the non-intervention of Japan.

On the 28th I went to the Prince's residence and reported on recent developments. The Prince said: "It is claimed that the former Head Court Lady and three similar persons were insane, but I am afraid lest this be used as material for future attacks against the Imperial Household. It seems that it would have been better if the case had been dealt with promptly by judicial power. Not only communist, but various other movements, are attempting to overthrow the Emperor system, and they might succeed in entering Japan. Therefore the greatest caution is necessary. If we take such actions when the situation is so precarious, I'm afraid that they might be utilized to accomplish the aims of agitators.

I returned on the 29th and met the Premier. The Premier said: "The Navy Minister was explaining the policy of the Navy by saying: 'We must take a strong attitude toward China and strive to preserve our country's dignity.' Actually the reason why the Army hesitated, in contrast to the Navy's strong attitude, was because the Army was facing Russia and had to consider Manchukuo. Therefore it could not transfer large bodies of troops to China. In order to take a strong attitude toward China, it was necessary for the Army to transfer large numbers of troops, and at such a time this was quite dangerous and it was very hesitant. The Navy said: 'If they are going to vacillate to that degree, we will have the Army solve the basic problems. The reasons for the occurrence of such incidents in China lie in North China. These inci-

dents occur because of Japan's methods in North China, in other words because of the Army's roughness. Let us proceed by solving the North China problem first.' The Military Affairs Bureau Chief (of the ArmyO was dispatched to the War Minister's presence at the site of the Maneuvers in order to transmit this opinion of the Navy to the War Minister. 'A message was sent for the War Minister's return to Tokyo but it is not known whether he will comply."

The Premier continued: "The Army and Navy are talking of a reformation of the administrative system, but there is a need to plan the coordination of the supreme command must be left in the hands of the Emperor. The Army and Navy must cooperate as one unit in the Imperial Headquarters. There are many faults in sending an expeditionary force to a nearby country such as Manchukuo."

I met Minister of Finance BABA on the night of the 29th. He said: "The Army and Navy have different opinions, and in regard to the reformation of the administrative system, the Navy seems to be just tagging along. They do not seem to desire increased revenues at all. I believe that the Cabinet Conference on the budget will require till the end of November. The Army's budget, which contains most of the difficulties, was finished about the middle of September. Therefore, with the Army's 800,000,000 yen and the Navy's 798,000,000 yen, the total budget for the armed forces should reach 1,600,000,000 yen. I would like to set the total budget at about 2,900,000,000 yen. At any rate my current tax system reformation proposal is something like a preparation for war-time economy, and is exceedingly difficult

to handle. This is all right for the coming fiscal year. In 193[illegible] and 1939 it may be cheaper to carry on actual warfare."

The Finance Minister further stated: "Concerning the problem of the reform of the House of Peers, I think that the Kenkyu Kai will not subside unless an investigation committee is created. I am to meet the President of the Minseito tomorrow as a matter of formality, but actually I have to meet with him in connection with the electric power problem."

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Cahpter 217
(14 October 1936)

Chinese Assassins at Work

Translated by Lieut. Morio Morihara

On the 2:1, I met with the Premier and he said: "I will cooperate in the prevention of communistic movements. Concerning the decision to modify our former methods in North China to a certain degree, the minimum demands already have been decided upon by the three-ministry conference of the War, Navy, and Foreign Ministries. This decision will be presently carried into execution. If there should be an assassination at this time, things will revert to the original situation. Actually it has already been decided in the abstract, and if the promises are kept that will be sufficient. This Cabinet must first of all establish investigation organs for trade, health, and aviation. The Investigation Bureau might be enlarged and a minister without portfolio might be placed at its head. Actually the Army does not earnestl desire a minister without portfolio, and it does not seem to mind the transfer of Education Minister HIRAO to the post."

I met the Foreign Minister, who said: "Our first demand concerning China is the prevention of communistic movements. Article "A" of that demand is the establishment of airfields in North China, (Soviet relations), and the installation of wireless stations. "B" is the prevention of communistic movements in all of China, and this is reaffirmed in the German-Japanese Treaty. Our second demand concerns the North China problem. Demands have been made upon the Nanking Government that it give special rights to the special orgars. The third demand

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is the eradication of anti-Japanese feeling. I believe that this can be accomplished by diplomatic methods. Things that can be handled diplomatically will have a chance of success."

Because of a slight cold I postponed my visit to the Prince for a couple of days. I proceeded to the Prince's villa on the 5th and reported on the general situation. The Prince said: "What are they planning to do with China anyway? We really have a group of stupid men," and deplored the situation.

"Manchukuo is a land of long history, and in relations with Japan it has paid considerable sacrifices. We have gone that far, but that may not have been helped. However I wonder if it holds any happiness in the future for Manchurian descendants. Won't unhappy thoughts linger in their minds? It is especially dangerous to meddle in North China affairs," said the Prince.

The Premier departed on the night of the 4th for the Grand Maneuvers, and returned on the 11th.

I went to the Prince's residence on the 11th and reported on the story of the Grand Chamberlain. The Prince said: "I believe that it is necessary to have an upright character. However it is bad for the Navy to consider this as its affair by saying: 'The Army has control over the Chief Aide-de-Camp, so the Grand Chamberlain is the Navy's....' A Navy man might be permissible if he has all of the qualifications, but usually I believe that someone outside the Navy personnel is desirable."

I related the main details of the Foreign Minister's

statement concerning the China problem. I then called the Chief Secretary of the Cabinet by phone and inquired as to subsequent happenings; there seemed to be no great changes.

I said: "In the report of the Chief of the Gendarmerie he said: 'The rightists and young officers might start another movement unless a renovation of government takes place.' He had received anxious reports, but I do not think that this is very serious." After this I returned.

I met the Premier on the 13th, and he said: "In today's Cabinet Conference an investigation committee was provided for to consider the reformation of the House of Peers. Concerning the date for convening the Diet, some propose November, but that cannot be accepted. It will probably be about the beginning of December. The first duty of this Cabinet is to formulate a budget, and to propose it and have it passed in the Diet. After the budget has been passed and the way is open for its execution, it will be proper to touch on the reorganization of the administrative system. I would like to solve the electric power problem before the Grand Naval Maneuvers."

I met the Foreign Minister who said: "The Premier, myself, and the Army and Navy Minister conferred after the Cabinet Conference. The Navy Minister asked: 'Is it all right to continue with the Grand Naval Maneuvers in spite of the China Problem?' We decided that it was perfectly harmless to carry out the Maneuvers and it was decided to hold them. The Army has acted too high-handedly in China and cannot withdraw. Therefore it

seems to desire some excuse. The War and Navy Ministers argued as to whether the evacuation of civilians from Hongkong was necessary. I listened silently until the end, but the matter was left as it was. I will have to investigate further into the situation and I believe that it may be solved by diplomacy. Whatever one may say, the assassination of Japanese is not an anti-Japanese act. It is an act aimed at CHIANG Kai-shek and most acts are done to put him on the spot. In Shanghai and Hongkong, this is a year of abundance and cheap products come to Japan while Japanese products sell well. From the standpoint of trade, the merchants are very happy, and the Japanese and Chinese do not seem to have, and actually do not have, any hard feelings toward each other. The real reason lies in the will to embarrass CHIANG Kai-shek by the assassination of Japanese nationals."